

**REMARKS**

Entry of this Amendment and reconsideration are respectfully requested in view of the amendments made to the claims and for the remarks made herein.

Claims 1-6, 9 and 10 are pending. Claims 1, 2, 4, 5, 9 and 10 stand rejected. Claims 3 and 6 are objected to. Claims 1, 4, 9 and 10 have been amended.

Claims 1, 2, 4, 5 and 9-10 stand rejected under 35 USC 102(b) as being anticipated by Tanaka (USP no. 5,144,426).

Applicant respectfully disagrees with and explicitly traverses the reason for rejecting the claims. However in view of the remarks made in the instant Office Action in response to the applicant's arguments presented in response to a prior Office Action and in order to advance the prosecution of this matter, the independent claims 1, 4, 9 and 10 have been amended to more clearly state the invention. More specifically, the independent claims have been amended to recite that the second quantization parameter degrades the second quality compared to the first quality. No new matter has been added.

Support for the amendment may be found on at least page 2, lines 5-7, which state [t]he method in accordance with the invention quantizes selected P-frames more coarsely than other P-frames. This reduces the bit cost but degrades the image quality of said frames." See also, page 3, lines 23-25, which state, [t]he arrangement in accordance with the invention increases the quantization parameter q for selected frames thereby degrading the image quality of said frame."

Tanaka describes a motion compensated prediction interframe coding system that changes the step size to a smaller one when the picture pattern or texture is finer than patterns of other blocks. (See, for example, col. 25, lines 25-32, which state in part, "the second quantization step size 320 used for quantizing a block to be coded by using the interframe coding method is made to become smaller than the first quantization step size..."). The specific method for determining the reduced second quantization step is shown, for example, in col. 25, lines 16-24. In the example shown,  $Q_b$  represents the first quantization step size and the second quantization step size is either 0.75, 0.5 or 0.25  $Q_b$  based on the fineness of the picture texture. In this manner, "the picture quality of the reproduced picture can be improved without degrading the fineness of the pattern or

texture of the entire picture." (see col. 16, lines 39-42).

A claim is anticipated only if each and every element recited therein is expressly or inherently described in a single prior art reference. Tanaka fails to disclose a second quantization step size degrading the second quality compared to the first quality, as is recited in the claims. Accordingly, Tanaka can not be said to anticipate the present invention because Tanaka fails to disclose each and every element recited in the claims.

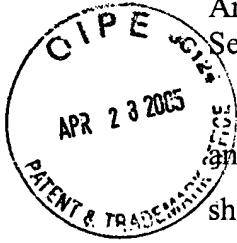
Having shown that Tanaka fails to disclose each and every element recited in the claims, applicant submits that the reason for rejecting claim 1 has been overcome and can no longer be sustained. Applicant respectfully requests withdrawal of the rejection and allowance of the claims.

With regard to independent claims 4, 9 and 10, these claims have been rejected for the same reason used in rejecting claim 1 and have been amended in a manner similar to that made with regard to claim 1. Hence, in view of the amendments made to the claims and for the remarks made with regard to the rejection of claim 1, which are reasserted, as if in full, in response to the rejection of claims 4, 9 and 10, applicant submits that the reason for rejecting these claims has been overcome and can no longer be sustained. Applicant respectfully requests withdrawal of the rejection and allowance of the claims.

With regard to remaining rejected claims, these claims ultimately depend from independent claims, which have been shown to be patently distinguishable and allowable over the cited reference. Accordingly, these claims are also allowable by virtue of their dependency upon an allowable base claim.

Applicant wishes to thank the examiner for the indication of allowable subject matter in claims 3 and 6. However, for the amendments made to the claims and for the remarks made, herein, applicant believes that all of the claims are allowable and has elected not to amend claims 3 and 6 as suggested by the examiner. However, applicant reserves the right to amend these claims at a latter time.

Although the last Office Action was made final, this amendment should be entered. The independent claims have each been amended to include the addition of functional language for providing a better understanding of the subject matter being claimed. No matter has been added to the claims that would require comparison with the prior art or



any further review. Accordingly, pursuant to MPEP 714.13, applicant's amendments should only require a cursory review by the examiner. The amendment therefore should be entered without requiring a showing under 37 CFR 1.116(b).

For all the foregoing reasons, it is respectfully submitted that all the present claims are patentable in view of the cited references. A Notice of Allowance is respectfully requested.

Respectfully submitted,

Russell Gross  
Registration No. 40,007

Date: April 26, 2005

By:   
Steve Cha  
Attorney for Applicant  
Registration No. 44,069

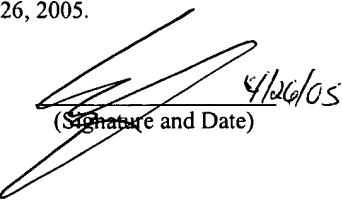
**Mail all correspondence to:**

Russell Gross, Registration No. 40,007  
US PHILIPS CORPORATION  
P.O. Box 3001  
Briarcliff Manor, NY 10510-8001  
Phone: (914) 333-9624  
Fax: (914) 332-0615

**Certificate of Mailing Under 37 CFR 1.8**

I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to MAIL STOP AF, COMMISSIONER FOR PATENTS, P.O. BOX 1450, ALEXANDRIA, VA. 22313 on April 26, 2005.

Steve Cha, Reg. No. 44,069  
(Name of Registered Rep.)

  
4/26/05  
(Signature and Date)